

Allis Chalmers Energy Inc.  
Form 424B7  
February 26, 2008

PROSPECTUS SUPPLEMENT  
(To Prospectus dated October 26, 2007)

**3,200,000 Shares**  
**ALLIS-CHALMERS ENERGY INC.**  
**Common Stock**

This document supplements the prospectus dated October 26, 2007, relating to the resale by certain stockholders of 3,200,000 shares of common stock, that is part of the registration statement on Form S-3 (File No. 333-146638), as amended. This prospectus supplement is incorporated by reference into the prospectus. The information under the heading **Selling Stockholders** in this prospectus supplement updates and modifies the applicable information set forth under the heading **Selling Stockholder** in the prospectus dated October 26, 2007 through the end of the table and footnotes in this section to include the stockholders not previously identified in the prospectus. The table set forth below is based solely on information that has been provided by or on behalf of the selling stockholders as of a recent practicable date prior to the filing of this prospectus supplement.

Shares of our common stock are quoted on the New York Stock Exchange under the trading symbol **ALY**. The last reported sale price of the shares on February 25, 2008 was \$12.81 per share.

*Investing in our common stock involves risks. We urge you to carefully read the **Cautionary Statement Regarding Forward-Looking Statements** section on page iii and the **Risk Factors** section beginning on page 2 of the prospectus together with this prospectus supplement and the prospectus before you make your investment decision.*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this Prospectus Supplement is February 26, 2008.

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**SELLING STOCKHOLDERS**

<b>Name</b>	<b>Shares Beneficially Owned</b>		<b>Shares That May be Offered Hereby</b>	<b>Shares Beneficially Owned</b>	
	<b>Before the Offering</b>	<b>Percent(16)</b>		<b>After the Offering</b>	<b>Percent(16)</b>
Ben A. Adams (1)	94,609	*	94,609		
Brad A. Adams (2)	178,087	*	178,087		
Bruce A. Adams (3)	233,739	*	233,739		
Burt A. Adams (4)	289,391	*	289,391		
Byron A. Adams, Jr. (5)	94,609	*	94,609		
Byron A. Adams, Sr. (6)	417,391	1.2%	417,391		
Jonathan L. Guarisco (7)	278,261	*	278,261		
Laura L. Guarisco (8)	189,217	*	189,217		
Leah K. Guarisco (9)	189,217	*	189,217		
Luke L. Guarisco (10)	111,306	*	111,306		
Luke V. Guarisco (11)	278,261	*	278,261		
Maria C. Guarisco (12)	189,217	*	189,217		
Victor Guarisco II (13)	189,217	*	189,217		
Victoria A. Guarisco (14)	278,261	*	278,261		
Elizabeth G. Wolf (15)	189,217	*	189,217		

\* Less than one percent.

- (1) Ben A. Adams  
address is P.O.  
Box 71, Berwick,  
LA 70342.
- (2) Brad A. Adams  
address is 7367  
West Roadway,  
New Orleans, LA  
70124.
- (3) Bruce A. Adams  
address is 2616 Fir  
Street, Morgan  
City, LA 70380.
- (4) Burt A. Adams  
address is 612  
Teche View  
Drive, Berwick,  
LA 70342.

- (5) Byron A. Adams,  
Jr. s address is  
7526 St. Charles  
Avenue, New  
Orleans, LA  
70118.
- (6) Byron A. Adams,  
Sr. s address is  
P.O. Box 2195,  
Patterson, LA  
70392.
- (7) Jonathan L.  
Guarisco s address  
is 17829 Inverness  
Avenue, Baton  
Rouge, LA 70810.
- (8) Laura L.  
Guarisco s address  
is 8023  
Georgetown Pike,  
McLean, VA  
22101.
- (9) Leah K. Guarisco s  
address is 6  
Greenbriar Ridge,  
Shoal Creek, AL  
35242.
- (10) Luke L. Guarisco s  
address is 102  
Camberly Circle,  
Lafayette, LA  
70381.
- (11) Luke V. Guarisco s  
address is 7142  
Moniteau, Baton  
Rouge, LA 70810.
- (12) Maria C.  
Guarisco s address  
is 15 Rose Court  
NE, Atlanta, GA  
30342.
- (13) Victor Guarisco  
II s address is 5612

Canongate Lane,  
Shoal Creek, AL  
35242.

(14) Victoria A.  
Guarisco's address  
is 18910 W.  
Pinnacle Circle,  
Baton Rouge, LA  
70810.

(15) Elizabeth G.  
Wolf's address is  
21257 Foxcroft  
Road, Middleburg,  
VA 20117.

(16) Calculated based  
on  
35,129,914 shares  
of common stock  
outstanding as of  
February 22,  
2008.